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The Agricultural Situation

A Brief Summary of



Economic Conditions

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DROUGHT AGAIN IN THE PICTURE

Farmers have come to grips again with a widespread drought condition. The dry weather has partly ruined spring wheat, shortened winter wheat, left oats to ripen on short straw, has seriously checked potatoes in the early stage of growth, has left for haying a vast area of grass about a foot tall, and already has forced the moving of livestock out of some Wyoming and Montana areas. Although showers have helped in certain localities, the universal need throughout the main crop regions of the country is for some good soaking rains.

Already the market has had a taste of what all this means in the way of skyrocketing potato prices. The prospect in several early and mid-season States is for a crop about one-fourth to one-third below average. In general, the potato crop outlook is poor in the East but better in western areas. Thus the midsummer supply of new potatoes appears distinctly short, although the late crop still has time to improve.

Wheat harvest is proceeding northward up through Nebraska. Much grain through the winter-wheat belt proper shows short straw and light, poorly filled heads. It is rather better a little farther east. Taking account of the bad condition in the spring-wheat territory, it begins to be apparent that the country is not going to have much surplus wheat from this crop, if any.

Through the South, cotton has made fair progress, following rains in the eastern Cotton Belt. Picking has begun in southern Texas. As to the broader cotton situation, matters have slowly improved, especially with respect to the burdensome stocks. Four years ago the world was carrying nearly 13,000,000 bales of American cotton. By the end of this month that will have been reduced to about 7,300,000 bales. Meanwhile, the world has stepped up its consumption of American cotton during the last year about a million bales. There is still more than the average amount of American cotton being carried over, and world consumption is still under the recent 10-year average. But, on the whole, the picture of supply and demand in cotton has been an improving one.

The general trend of prices of farm products had been slightly downward since the first of the year but last month turned upward. The export movement of the principal farm products is still very light, although the May export of cotton was substantially above the same month a year ago. Farmers are hiring more labor this season and paying higher wages.

KEY REGIONS AT A GLANCE

THE EAST.—Busy with haying and wheat harvest. Showers in mid-June helped crops but hay and small grains show effects of dry weather. Wheat poorly headed in the North, frequently on short straw. Silage corn has good start but, like other crops, needs rain. Milk production shrinking as pastures grow short. Milk prices slightly below last year but so far fairly favorable in relation to feed prices. Fruit prospect rather poor. Apples and peaches hurt by late frosts.

THE SOUTH.—Cotton has made fairly good progress, following rains in eastern belt, though its condition is spotted locally. Virtually whole South too dry, notwithstanding local showers. Small grain harvest generally disappointing. Same with potatoes and truck. Citrus fruit fairly good crop. Shipping peaches; crop fair though was cut by May drought. Region shows beneficial effects of gradual improvement in income and in general cotton situation.

CORN BELT.—Handicapped by dry weather. Corn does not appear to have been damaged greatly as yet, except that planted late, and could make a crop if it gets rain. But wheat and oats were hurt; thousands of acres of small grain being pastured—too poor to cut. Grass short; pastures drying up. However, alfalfa and clovers made good yields in some sections. Some damage recently from grasshoppers. Reports indicate nearly a third more spring pigs than year ago, but still leaves hog population a fourth below average of recent years.

WHEAT BELT.—Very busy in final stages of winter-wheat harvest. Crop a disappointment; much of crop in central Nebraska making only hay and in southwestern Kansas used for pasture. Up in northern spring-wheat territory the drought and heat have ruined a substantial part of the crop. Many grain fields used for pasture or abandoned. Flax and other crops show poor germination and mostly poor stands. Drought a serious menace to corn and other late crops.

RANGE COUNTRY.—Suffering from drought, especially in north and to eastward of mountains. Ranges badly burned in eastern Wyoming and Montana; some stock already moved out, with likelihood of heavy movement out of those States. Stock mostly in fair condition, despite failing feed. Irrigated crops generally fair but water shortage looms in many sections. Generally speaking, the drought conditions are less acute from Colorado westward and southward.

PACIFIC COAST.—Had some hot weather during month but growing conditions generally good. Irrigation water plentiful. Wheat fine in the north; winter-wheat harvest in full swing in the Palouse district. Ranges, pastures, and livestock excellent all up and down the coast. Grape and apple harvest on in California, likewise hay, truck crops, peaches, apricots, melons, etc. Crops in general turning out good yields. Coast appears to expect profitable results from season's work.

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THE AGRICULTURAL SITUATION, JULY 1936

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PRODUCE CONDITIONS UNEVEN

Vegetable crops in the East were helped considerably by June rains. Conditions are still uneven and in many sections light yields are in sight. Crop weather had been better in the far West than in the East and Middle West this season. Good yields are expected in most sections of the Mountain States and along the west coast.

Potatoes were rather light in the South, but conditions average fair for the northern crop as yet. Onions look rather poor in the East but good in the West. Cabbage in midseason northern sections is 20 percent short. Late cabbage had a rather unfavorable start. Summer cucumber acreage is 6 percent above the 5-year average. For midseason beets, rather light yields were expected. Plantings of lettuce in New York, Pennsylvania, California, and New Mexico were above average. Colorado acreage was reduced but growing condition is good. More Iceberg type lettuce is being raised in the East.

MODERATE SHIPMENTS LIKELY

The generally light to moderate acreage of eastern and midwestern truck crops and numerous reports of light yields give the impression of somewhat limited supplies to come in July and August. If the best crops of fruits and vegetables are in the far West, the distance from market will tend to support the general price level in consuming centers.

SENSATIONAL POTATO MARKET

Potato prices were going on evenly as long as the old crop was moving in fair volume. The pinch came while the light holdings of old potatoes were dwindling rapidly in May and the market had to depend mostly on the new crop, which was feeling the drought. Old stock rose about \$1.50 per 100 pounds during May and early June. New stock advanced about 75 cents in the East and \$1.50 in the Middle West. Barrel prices in the South rose to around \$7 in early June, slumped back to \$5 in midmonth, recovered to near \$6, then became weak and unsettled.

After reaching top prices in early June, the market declined severely but was recovering during the second half of the month, although shipments were showing increases above the light movement around 600 cars per weekday, which had been the rule through most of May and early June, and markets showed unsettlement and hesitation toward the end of the month.

POTATO SUPPLY LIMITED

Estimated production June 1 in the second early States and early midseason States was 12,771,000 bushels, a cut of 4,500,000 bushels from last year and not much more than half the 5-year average. Better growing weather in June helped the crop in some areas, but light to average yields are probably the rule in most sections that will be shipping in late summer.

Virginia and Maryland usually supply one-half to two-thirds of the July potato carlots. They may have less than an average crop this season. New Jersey and Long Island could dig early and ship some potatoes in July. These sections felt the early June drought severely but recovered somewhat after the middle of the month.

Eastern shortage is the outstanding fact in the July potato situation, indicating possibly only two-thirds the usual supply for the month from that region. The early midwestern and far-western potato sections have had mostly better growing conditions than the eastern section, and probably will fill part of the gap, but altogether could hardly offset the eastern shortage expected during July. California, Kansas, Missouri, and Idaho have a fair to good midseason crop and might supply 4,000 carloads during the month if prices are attractive enough to draw out the full market production.

July shipments averaged about 15,000 cars the last 3 years, but actual shipments for any month are not always in line with production. Price changes and the weather affect the time and rate of marketing. The production figures certainly indicate a light to moderate midsummer supply.

In August the early northern crop is swinging into line. Among the heavy shipping States are Idaho, California, New Jersey, and Wisconsin. These, except perhaps New Jersey, have had rather favorable growing conditions and should furnish about two-thirds of the month's shipments, which usually are around 10,000 carloads.

Chicago dealers were reported as expecting a rather high price range through the rest of the summer as compared with last year. The position of northern growers of the main potato crop will be helped by the rapid marketing of the early and midseason crops.

GEORGE B. FISKE,
Division of Economic Information.

THE COTTON SITUATION

The world cotton situation with respect to stocks of American cotton has improved steadily during the past four seasons. World stocks of American cotton have been reduced from nearly 13,000,000 bales on August 1, 1932, to a prospective carry-over of approximately 7,300,000 bales for the corresponding date this year. This would be the smallest carry-over since 1930 yet larger than the average carry-over of about 5,300,000 bales during the 10 predepression years ended with 1929.

As stocks were reduced cotton prices in the 10 designated spot markets advanced from an annual average of only 5.89 cents per pound for Middling $\frac{1}{2}$ -inch in 1931-32 to 12.36 cents in 1934-35, and for the first 10 months of the 1935-36 season the average price was 11.37 cents. Cotton prices in these markets, however, averaged about 20.3 cents per pound during the decade ended with 1929-30.

Total farm income from cotton and cottonseed increased from \$464,000,000 in 1932 to about \$877,000,000 in 1935-36. This increase was due to an advance in prices (supplemented by rental and benefit payments) which more than offset the reduction in volume marketed. The average annual farm income from cotton production is estimated at \$1,463,000,000 during the 5 years prior to 1930-31. Suffering thus by comparison with prices and incomes during the 1920's the improvement shown since the low point of the depression is even less when adjusted for changes in the cost of commodities farmers buy than is indicated by the unadjusted figures.

Nevertheless, economic conditions in the Cotton Belt have improved materially and farm purchasing power is substantially above that in 1931 or 1932. Increases in manufacturing activity and industrial pay rolls have stimulated cotton consumption in the United States during 1935-36, and these, together with the substantial increase in exports and the record level of world consumption of all cotton, are doubtless the brightest features in the situation at home and abroad.

Offsetting to some extent the favorable factors in the current demand situation is the substantial increase in production of cotton in foreign countries and the increased consumption of these growths by world mills formerly using a larger proportion of American cotton. Competition from synthetic textile fibers is also increasing but, as yet, substitution of other fibers is a far less serious factor than competition from foreign growths of cotton.

World consumption of all growths of cotton this season is expected to be larger than ever before, but according to the New York Cotton Exchange's preliminary estimate of world consumption of all growths in 1935-36 only 46 percent is expected to be American, with 54 percent of foreign growths. The corresponding percentage for American cotton in 1934-35 was 44 percent, against 55 percent during the 5 years ended with 1932-33. In the latter year, when cotton prices and incomes reached a low point for the post-war period, American cotton constituted 58 percent of the world consumption of all growths. The increase in the consumption of American cotton in the United States, where foreign competition is not a very significant factor, has been considerably larger so far this season than the increase in foreign countries.

PROSPECTIVE SUPPLIES

Attention at this season of the year is directed to the prospective supplies for the 1936-37 cotton season beginning August 1, 1936. As indicated above, commercial reports, which as a rule are reasonably accurate, indicate a world carry-over of American cotton at the end of the 1935-36 season of about 1,700,000 less than the 9,000,000-bale carry-over at the end of last season, but about 2,000,000 bales larger than the average carry-over during the predepression decade.

Of the total world carry-over of American cotton on August 1, 1936, somewhat less than half will probably be Government-financed cotton. A substantial quantity of "loan" and "pool" cotton has been sold to domestic and foreign spinners, but plans for the disposal of "loan" cotton during the remainder of the season have not been announced. Approximately 172,000 bales of the 243,000 bales of spot cotton in the producers' pool was offered to the trade under a sales program that invited bids beginning June 17 and continuing to the end of the current season.

The area planted to cotton in the United States in 1935 amounted to a little less than 28,000,000 acres, or about the same as in the previous year, but about one-third less than the average for the 10 years ended with 1933. The 1936 acreage planted will be officially estimated early in July as of the first of that month. At present private estimates indicate a substantial increase in the total acreage for the 1936 season, but the acreage planted this season is expected to be considerably smaller than the average for the past 10 years.

Yields per acre in the United States averaged 186 pounds in 1935, or considerably more than the 172 pounds for 1934 and more than the average yield of 177 pounds during the 10 years ended with 1933.

Planting and growing conditions in the Cotton Belt have been none too favorable, so far, during the new crop year. Earlier in the season dry weather retarded planting and growth in the Western States—Texas, Oklahoma, and Arkansas—while excessive moisture affected the crop in the Eastern States. More recently weather conditions have been reversed, with excessive rains in Texas and a drought in the Eastern States. Fertilizer sales are running somewhat above those for the last season and materially above those for the 1932 and 1933 crops, but substantially below the average for the 5 years ended with 1930.

Cotton production in the United States during the season 1935-36 amounted to 10,638,000 bales of 478 pounds net weight, against 9,637,000 bales in 1934-35 and an average of 14,700,000 bales for the 10 years ended with 1933-34. Production of American cotton constituted about 42 percent of the world production of all growths in the 1935-36 season against 41 percent in the previous season, and 56 percent during the 10 years ended with 1933-34. Thus, although the production of cotton in the United States gained slightly in relation to foreign growths in 1935-36, it constituted a much smaller proportion of the total world production than during most of the post-war period prior to 1933-34.

WORLD CONSUMPTION INCREASED SHARPLY

A tentative figure of 12,500,000 bales for the world consumption of American cotton during the 1935-36 season may be compared with 11,338,000 bales in the previous season and an annual average of 13,719,000 bales for the 10 years ended with 1933-34. For the first 9 months of the current season, world consumption of American cotton amounted to about 9,424,000 bales, against 8,480,000 bales last season and a 10-year average of 10,338,000 bales, according to the New York Cotton Exchange.

Of the total increase in the consumption of American cotton this season, as against the corresponding period last year, nearly 57 percent took place in the United States. The larger consumption of cotton in this country was associated with a material increase in industrial activity, pay rolls, agricultural incomes, and wholesale and retail distribution of finished cotton goods, while larger sales of clothing and household goods to consumers have been reported and increased quantities of cotton materials have moved into industrial channels. Foremost among the industrial users increasing their purchases of cotton fabrics this season were such industries as automobile manufacturers. The automobile tire industry alone is estimated to have used in the neighborhood of 500,000 bales of cotton during the calendar year 1935. In April the Federal Reserve Board's index of industrial production was 100 percent of the 1923-25 average against 86 percent in April a year ago. A similar index for cotton consumption was 104 in April as compared with 84 in April 1935.

Foreign consumption of American cotton was retarded during the first half of the 1934-35 season by the comparatively high prices of American cotton in relation to important competing growths and

by trade restrictions in some of the leading cotton-consuming countries, particularly in Germany and Italy. Although this situation improved considerably during the latter part of 1934-35 and the first half of 1935-36, prices of important kinds of foreign cotton have recently declined in relation to prices for American cotton and some kinds of Indian cotton in Liverpool averaged lower in relation to American during May 1936 than the average for the 1934-35 season. In Japan and in other important cotton-consuming countries, Indian cotton competes directly with American in the coarser counts of yarn, and as price differences between American and Indian cotton increase, Japanese mills tend to increase their consumption of Indian cotton. On the other hand, a decreasing price differential such as that prevailing during the early part of the 1935-36 season was favorable to the use of American cotton in these mills.

According to the New York Cotton Exchange, the foreign consumption of American cotton increased 409,000 bales during the first 9 months of the 1935-36 season as compared with the corresponding period last season, whereas the increase in foreign cotton consumption amounted to only 140,000 bales. Despite the larger increase in the foreign consumption of American cotton this season the consumption of foreign cotton was nearly 2,500,000 bales larger during the first 9 months of the 1935-36 season than the average for this period during the 5 years ending with 1933-34, whereas the foreign consumption of American cotton was 803,000 bales less during the first 9 months of this season as compared with the 5-year average for the corresponding months. While exports of American cotton have increased sharply this year, they are still below the average volume for earlier years.

FOREIGN PRODUCTION

Foreign cotton production has probably been stimulated by the higher world cotton prices resulting in part from the acreage-adjustment program and unfavorable growing conditions in the United States, which have reduced the excessive supplies of American cotton during recent years. Production in foreign countries is currently estimated at about 15,000,000 bales of 478 pounds net weight for the 1935-36 season, or the largest foreign production on record, and about 58 percent of the world total. Foreign production during the 2 preceding years averaged about 14,400,000 bales, or 56 percent of the world total, as compared with 11,200,000 or 44 percent of the average world production during the 10 years ended with 1932-33.

India, growing more cotton than any other country except the United States, is estimated to have produced approximately 4,800,000 bales of 478 pounds net weight in 1935-36, against 4,100,000 bales last season and an average of 4,500,000 bales for the 10-year period ended with 1933-34.

Brazil, however, producing considerably less cotton than India, on the average, has shown the greatest increase in production during the past few years. Preliminary estimates indicate a production of 1,743,000 bales of 478 pounds net weight for the 1935-36 season, against 1,324,000 bales in the previous year and an average of only about 600,000 bales for the 10 years ended with 1933-34. The substantial increase in the production of cotton in southern Brazil during recent years is especially significant because a great deal of this cotton is quite similar to the bulk of the American crop in length

of staple, and is thus more directly competitive than most Indian or Egyptian cotton. Low prices for coffee, coupled with comparatively higher prices for cotton, have resulted in widespread shifts from coffee to cotton in southern Brazil. Special trade arrangements have also stimulated the consumption of Brazilian cotton in some countries, especially Germany, and this in turn has tended to stimulate cotton production in Brazil.

Production of Chinese and Russian cotton has also increased substantially during the last few years. These two growths are consumed largely by mills within those countries; but they have displaced American cotton to a considerable extent, especially in China. Exports of cotton to China from the United States reached a peak in 1931-32, amounting to 1,112,000 bales, as compared with only 108,000 in 1934-35 and an average of 322,000 bales during the decade ended with 1933-34. The production of Egyptian cotton, which competes more directly with the longer staples of American cotton, has increased to 1,750,000 bales in 1935-36, against 1,566,000 in 1934-35 and an average of 1,530,000 bales during the 10 years ended with 1933-34.

Other countries such as Peru, Mexico, Argentina, Uganda, Anglo-Egyptian Sudan, Chosen, Manchuria, and Turkey have increased their production of cotton substantially in recent years, and practically all of these sundry growths compete directly or indirectly with American cotton. The estimated production of countries other than the United States, India, China, Russia, Egypt, and Brazil in 1935-36 amounted to about 1,926,000 bales, against 2,168,000 in the previous year and an annual average of 1,658,000 bales for the 5 years ending with 1933-34.

SYNTHETIC FIBER PRODUCTION INCREASES

World production of synthetic textile fibers has increased sharply during recent years and doubtless has tended to reduce the world consumption of cotton. Nevertheless, the total world consumption of cotton in 1935-36 is expected to exceed that for any other year on record. Of the total world consumption of the principal textile fibers used for clothing, the Textile Economics Bureau, Inc., estimated that 73 percent was cotton in 1935, 20 percent wool, 1 percent silk, and 6 percent rayon yarn and rayon staple fiber. In 1934 cotton constituted 72 percent of the total, as compared with 73 percent in 1933.

Synthetic fiber production, on the other hand, has increased from 3 percent of the total in 1932 to 5 percent in 1934, and 6 percent in 1935. The United States produces more rayon yarn than any other country, accounting for about 27 percent of the total in 1935, as compared with Japan's 24 percent, the United Kingdom's 12 percent, Germany's 11 percent, Italy's 9 percent, France's 6 percent, and all other countries' 11 percent. The total world production of rayon yarn and rayon staple fiber amounted to 1,070,000,000 pounds during the calendar year 1935, against 823,000,000 pounds last year and only 458,000,000 pounds in 1930. On a pound-for-pound basis, these fibers were equivalent to approximately 2,240,000 bales of cotton of 478 pounds in 1935, 1,720,000 bales in the previous year, and 958,000 bales in 1930.

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MORE EGGS, BUT MARKET STEADY

Basic conditions in the poultry industry during the past few months have favored a steady to firm market for both poultry and eggs. The drastic check to egg production resulting from the extremely cold weather in late winter prevented any unusual accumulation of egg supplies before the beginning of the regular into-storage season. The subsequent demand for immediate consumption during the spring months proved to be better than had been expected, and with the almost complete absence of the extreme bullish enthusiasm that has dominated the early into-storage movement of the last several years, prices for the most part held at a point that encouraged a moderately heavy current consumption and at the same time led to a more orderly movement of stocks into storage.

Of some support to the market in June was the continued purchasing of eggs by the Federal Government for relief purposes. At no time were such purchases extensive, but the knowledge that the Government was in the market exerted a marked psychological effect, perhaps out of proportion to the actual quantity purchased. Underlying factors of the market, however, were such as to need only a slight encouragement to initiate an upward movement in prices and the gradual development of greater confidence in the outlook.

EGG PRODUCTION HEAVIER

The moderately cool weather experienced by most sections so far this summer has to some extent cushioned the decline in production that comes with the beginning of hot weather. Reports indicate that the average production per 100 hens in farm flocks on June 1 was the highest for that date during the 12 years for which records are available. Total production as of June 1 is estimated to have been about 5 percent greater than on the corresponding date in 1935 and 2 percent greater than in 1934.

Reflecting this heavier production, receipts of eggs at the leading markets during the first 3 weeks in June were approximately 10 percent larger than during the corresponding 3 weeks last year. Demand for current consumption has so far shown little evidence of weakening, so that the increased supplies over a year earlier were closely cleared at prices $\frac{1}{2}$ to 1 cent per dozen higher than at the beginning of the month.

STORAGE STOCKS NOT LARGE

The storage situation on eggs continues to be relatively firm. The net into-storage movement in May amounted to 2,642,000 cases, a slight increase over the 2,465,000 cases stored in May last year, but somewhat less than the 2,795,000 cases for the May 5-year average. Shell eggs in storage on June 1 amounted to 5,681,000 cases compared with 6,366,000 cases on June 1 last year and 7,103,000 cases for the 5-year average. Frozen eggs in storage amounted to 93,971,000 pounds compared with 84,680,000 pounds a year earlier and 93,107,000 pounds for the 5-year average. Because of the relatively heavy stocks of frozen eggs in storage, the market was mostly irregular, with quite a wide variation found between offering and bidding prices.

MORE PULLETS BUT MATURING LATER

Reports from various sources continue to indicate that laying flocks during the 1936-37 production season will be larger than those of the preceding year. Commercial hatcheries report an increase of around 23 percent in the number of chicks hatched during the first 5 months of 1936 above the number hatched during the corresponding period of last year. A large part of this increase will be reflected in a greater egg production from commercial flocks next year, particularly on the west coast, but farm flocks will probably also show a substantial expansion. Reports from United States crop correspondents show that on June 1 farm flocks had 12 percent more chicks and young chickens on hand than on the same date in the previous year.

Taking all factors into consideration, it appears that the 1936 crop of pullets will mature and come into production somewhat later than the pullet crop of 1935, in which event, dealers will have a somewhat longer period to move the eggs now in storage into consumption before meeting the full competition of the new egg producing season.

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BUTTER MARKET SHOWS STRENGTH

The unusual happened with respect to June butter prices this year, in that advances occurred during the month. This year's butter-price situation has been more or less of a puzzle right along, and the immediate situation apparently reflects lighter production and relatively short supplies.

Butter production is another of this season's somewhat unusual features. During the first part of the year, production each month exceeded that of corresponding periods of 1935, although it is noted that the rate of increase dropped as the flush season approached. Now the report of estimated butter production in May shows an actual decrease under May 1935, while cheese and concentrated milk are heavier than last year. Estimated creamery butter produced in May was 176,189,000 pounds, a decrease of 2.0 percent below a year ago, and slightly less than in May 1934, throughout which year creamery output was low. Estimated May production is in fact the lowest for the month since 1929.

The only geographic sections which show May increases over last year are the West North Central States, and the Mountain States. In the former area the largest percentage increases were in the Dakotas, with lesser increases in Minnesota and Nebraska. In the area immediately to the east of this territory, Michigan alone had heavier production than in May 1935. The increase was quite general in the Mountain States and there was an increase of 14.2 percent in Texas.

Total United States creamery butter production for the first 5 months of 1936 is estimated to have exceeded the corresponding period of 1935 by approximately 16,000,000 pounds or 2.6 percent, but in this connection it should be borne in mind that with the exception of part of the flush period, 1935 was also a year of low production. Thus, even with the increases recorded in 1936, the season's production so far is below average.

The foregoing situation bears close relationship to the present reserve supplies of dairy products. In the case of butter, total stocks in cold storage on June 1 were the lightest for that date since 1928, amounting to only 21,075,000 pounds, compared with 33,096,000 pounds on the same date in 1935, and a 5-year average (1931-35) of 31,946,000 pounds. During the 3 weeks since June 1, stocks of butter have increased as is usual at this season, but the increase in the 35 cities for which there are weekly reports was approximately 27½ million pounds only, compared with 37½ million pounds last year. It is obvious that the July 1 storage reserve will represent a heavy reduction under July 1, 1935, with some indications of the shortage approaching 25,000,000 pounds.

One of the conditions which has contributed to the general firmness of dairy markets is the active movement of dairy products into trade channels. The trade output of butter, which includes production, changes in stocks and net imports or exports, was 3.4 percent greater in May than last year, and the increase over April was 20.0 percent, compared with an April to May increase of 11.0 percent in 1935. Likewise, during May there were increases over last year on cheese of 6.8 percent, and condensed and evaporated milk of over 30 percent. On all of these products, except evaporated milk, movements into trade were also heavier than in 1935, during the calendar year period to June 1.

Buying of butter for storing has not been featured by the degree of confidence which usually is in evidence at this time of year, which may be partly responsible for the heavier current trade output just mentioned. No purchases of butter are now being made by the A. A. A. The latter agency, however, has during the past month announced awards for the purchase of 609,000 pounds of cheese, 6,088,000 pounds (141,600 cases) of evaporated milk, and 1,241,000 pounds of dry skim milk.

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CROP REDUCTION AND THE LAND-USE PROGRAM

Approximately 9,500,000 acres of unproductive and idle land is being acquired by the Resettlement Administration, and is being converted to other uses including grazing, forestry, recreation, and wildlife conservation. Approximately 55,000 relief workers are being given employment in the land-improvement activities.

In the first period of the land-utilization program, which was launched under the joint sponsorship of the Agricultural Adjustment Administration and the Federal Emergency Relief Administration, it was believed in some quarters that a land-purchase program could be devised that would materially affect the agricultural production of the Nation by removing submarginal farms from cultivation. The reduction of crop acreage, through the removal from competition of un-economic units, has been incorrectly represented as being the primary reason for a program of this nature.

The problem of submarginal farm land, however, involves far more than an excess of crop acreage alone. Consequently, any attempt to eradicate the major evils which the continued misuse of poor land

produces, must be directed at a broader objective than merely the reduction in the area of cultivated land. This fact is particularly true when national economic conditions are such that the families now residing on submarginal farm lands cannot as a whole be expected to find nonagricultural occupation when they leave their poor farms but must, on the contrary, largely be helped to find better agricultural opportunities elsewhere.

One of the obvious purposes of the land-utilization program is to bring to an end the destruction of natural resources which the continued occupation of unproductive farms entails. In the southern Appalachians, for example, the cultivation of steep slopes has resulted in the serious erosion and depletion of large areas of land. The restoration of a valuable forest crop on these hillsides is prevented by the operation of farms. Yet under present circumstances the families dependent upon the soil have nothing else to turn to as a source of livelihood. Similar conditions prevail in the more arid portions of the western plains, where wind erosion has destroyed not only lands that were unsuccessfully cultivated, but overgrazed pasture, and adjoining lands as well. Soil particles, blown from fallow land, can destroy the sod on nearby areas, the erosion spreading like a cancer. Here again, it has been economic pressure, coupled with other influences, such as the antiquated homestead law, that caused these conditions to come about.

Maladjustments in local governmental finance are also important. Unproductive lands have tended to become tax delinquent, while the families living on them have continued to need roads and schools at public expense. An extreme condition was found in a county of northern Minnesota, where 28 families, living on the scattered, submarginal farmsteads characteristic of the Lake States cut-over area, required an average county expenditure of \$185 per year for school transportation alone. These same families paid an average tax of \$10.80. The continued need for this type of subsidy has threatened many rural counties with bankruptcy unless readjustments are effected.

Another major problem in connection with submarginal land, is that of human poverty, and the development of backward, antisocial communities that have been described as "rural slums." The fact that more than a million farm families were on relief during the depression, and that approximately 915,000 farm families, according to the 1930 census, received a gross income of less than \$400 per year, are circumstances closely associated with the continued cultivation of lands not suited to that purpose. The development of a healthy rural life in the United States demands the correction of the economic maladjustments of this nature.

The land-purchase program of the Resettlement Administration has therefore been directed at a broad set of objectives, all of which are dependent upon the improved use of land for their realization. How closely the land-use program is allied with the problems recited above, may be seen from a few facts descriptive of the lands included in this purchase program. Approximately 1,000,000 acres being acquired are subject to severe erosion. Acquisition by the Resettlement Administration of course means that steps are taken to check and correct the effects of this process. Poverty has evidently been the lot of most families living on the purchased areas, at least those

included in the so-called "agricultural adjustment" projects, for the average net yearly income of the families living on these 100 projects amounted to only \$88 and \$84 for 1934 and 1935, respectively. Finally, as an indication of the tax problem, more than 50 percent of the lands included in these projects has been tax delinquent for 2 or more years.

The acquisition and development of these areas will point the way toward a considerable reduction in the public subsidies which have been necessitated in the past. In three counties of a western-plains State, for example, it is estimated that more than \$7,000,000 has been spent in public and private relief, primarily to farm families, and dependent communities, in areas unsuited to agriculture. The restoration of most of this area to grazing by some means, leaving farms on the lands which have proved fit for such use, is essential to prevent future expenditures of this sort.

Yet the effect of the land purchase program on our total crop area is not to be overlooked. Approximately 1,400,000 acres of the land being purchased was in crops, and about 4,800,000 acres was employed for permanent pasture. The remaining area consisted of forest, marsh land, waste land, and miscellaneous tracts.

An important practical problem faces any attempt to purchase and convert to better use lands that are producing crops and yet are unsuited to that use, for in every area where conditions of this sort prevail, farmland, and particularly crop land, are sparsely distributed. Naturally, where the land is unsuited to farming, a smaller percentage is devoted to farming than in a rich and well proven farm region. Likewise, the operators of submarginal farms find it impractical to cultivate a large portion of their land, and leave much of it in woodland or waste. If the purpose of the land purchase is to put the land to some better use, enough must be acquired in a solid block to make its future development and management possible. This is the primary reason for the considerable proportion of the total purchase area consisting of land employed for other purposes than agricultural production.

Land-use planning, which the Resettlement Administration is carrying on parallel to its purchase program, is pointing out the various means of effecting such changes as part of a constructive long-term program. Proper land use classification is the first need. This work is of recognized importance not only as a guide to various public agricultural and credit programs, but also as an aid to private industrial and financial organizations interested in agricultural development.

In very few cases can it be said that the projects as now planned represent completed jobs. The program, at one time set up on a far larger scale, has been scaled down in extent and as a result individual projects have been cut to the minimum. It is estimated that in order to block in and round out the existing projects so that they may serve their fullest value as demonstrations in the improved use of land, it will be necessary to acquire an additional 12,800,000 acres. Then, even though the problems to be met involve a far greater area, we shall at least have one effective demonstration established in each of the principal land problem areas of the United States.

L. C. GRAY,
Assistant Administrator, Resettlement Administration.

RECOVERY AND IMPORTS OF FARM PRODUCTS

Imports in general rise and fall with the general business situation. The volume of industrial activity determines to a large extent the volume of both industrial and agricultural imports, and the changes in agricultural and industrial price levels determine changes in the value of imports. The value of agricultural imports tends to increase also when domestic crop production is low and agricultural prices high. These facts are clearly borne out in the rise in the value of imports of both industrial and agricultural products that has taken place since 1932. In fact, about 87 percent of the 1935 agricultural imports was brought into this country as a result of the general state of and improvement in domestic industrial and agricultural conditions. About 80 percent of the increase between 1934 and 1935 was due to the recovery factor and the balance to the drought of 1934-35.

The dependence of the value of imports upon domestic activity and purchasing power is clearly shown in data recently published by the United States Department of Commerce, part of which is given in the following tabulation.

Table 1.—VALUE OF DOMESTIC PRODUCTION AND IMPORTS

Year	Aggregate value of do- mestic production ¹	Imports for consumption ²	Imports as a percentage of domestic production	Value of competitive agricultural imports ³
	Million dollars	Million dollars	Percent	Million dollars
1900-----	15,163	1,060	7.0	-----
1905-----	20,534	1,345	6.6	-----
1910-----	27,771	1,874	7.4	-----
1915-----	34,828	1,975	5.7	-----
1920-----	92,480	5,428	5.9	-----
1925-----	71,868	4,728	6.6	770
1929-----	78,976	4,924	6.2	808
1930-----	61,917	3,576	5.8	569
1931-----	46,043	2,459	5.3	333
1932-----	33,960	1,584	4.7	199
1933-----	37,086	1,717	4.6	269
1934-----	45,332	1,937	4.3	332
1935-----	53,625	2,108	3.9	489

¹ Manufactures, Agricultural and Mining. Estimates of the U. S. Department of Commerce.² Including duties paid.³ Excluding sugar, as compiled by the Bureau of Agricultural Economics.

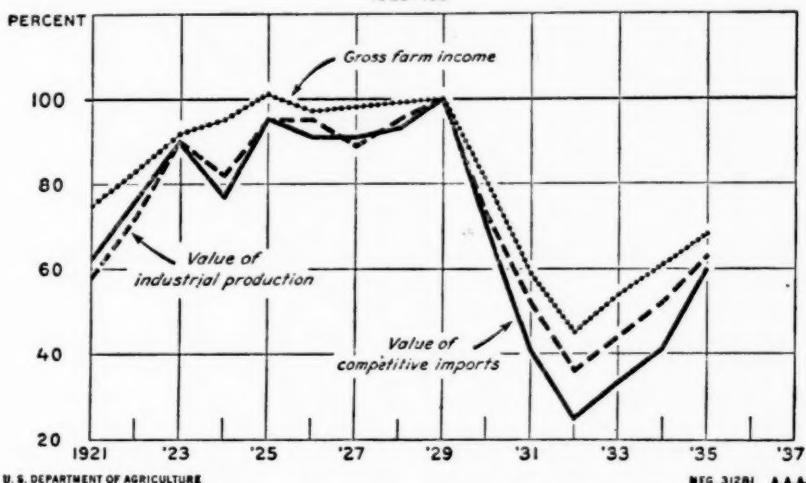
Before the war imports tended to be approximately 7 percent of the value of domestic production, but during the post-war years, 1924-29, they fell short by about 10 percent, being only about 6.3 percent of the value of domestic production. With imports running between 4 and 5 billion dollars in those post-war years, this country was importing close to \$500,000,000 less annually than might have been expected on the basis of the pre-war relationship.

Since 1932 the rise in the value of domestic production has been accompanied by a relatively smaller increase in imports. In 1935 imports were only 3.9 percent of the total value of domestic production compared with 6.3 percent before the depression. This represents a shortage of imports of about a billion and a quarter dollars, and since a dollar's worth of imports has usually meant a dollar's worth of exports, it is clear that exports might have been a billion dollars or more greater and general employment proportionately greater had imports been maintained at the pre-depression or pre-war ratios.

The recent rise in agricultural imports has of course received most attention, and for that reason the following facts concerning the value of so-called competitive agricultural imports seem timely. The Bureau of Agricultural Economics has recently shown that imports of leading competitive agricultural products (excluding sugar) amounted to \$808,000,000 in 1929; \$199,000,000 in 1932; and \$489,000,000 in 1935. These values include such items as inedible oils, hides and skins, beverages, unmanufactured tobacco, long-staple cotton, wool, barley malt,

IMPORTS OF COMPETITIVE AGRICULTURAL PRODUCTS, VALUE OF INDUSTRIAL PRODUCTION, AND GROSS FARM INCOME, 1921-35

1929=100



and fancy cheese—items that are imported in response to changes in industrial activity and general purchasing power. On the other hand, items like edible vegetable oils, wheat, corn, fodders and feeds, molasses, and live cattle show the effects of reduced domestic production of farm products.

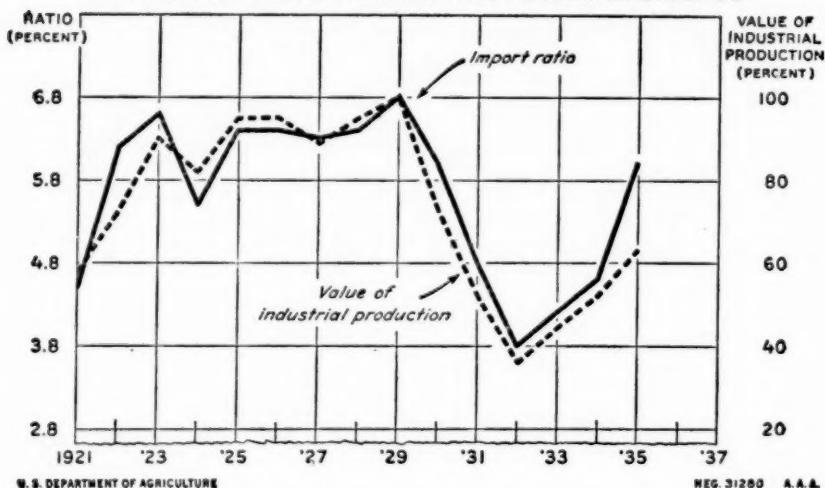
The contraction in the value of imports of competitive farm products between 1929 and 1932 amounted to 75 percent and was clearly the result of the collapse in domestic activity, foreign trade, agricultural and industrial prices and purchasing power. Similarly, the rise since then has been due in large part to the general improvement in agricultural and industrial production, prices, and income, and only in small part to the reduced volume of feed crops and pork due to the 1934-35 unfavorable growing seasons.

The extent to which general industrial and agricultural improvement has been a factor in the increased imports may be shown clearly by

two simple comparisons. One of these is contained in chart I, where the annual import values of competitive agricultural products are contrasted with the values of both farm and industrial production. Starting with 1929 as 100, competitive imports fell to 25 percent by 1932, the value of industrial production to 36 percent, and the value of farm production (gross income) to 45 percent. Before 1929, also, the correspondence is closer between imports of agricultural products and industrial activity than between these imports and agricultural production.

These three values increased in parallel fashion in 1933 and 1934 but in 1935 imports rose more. Had imports in 1935 maintained their 1933-34 relationship to the values of agricultural and industrial output, they would have been about 52 percent of the 1929 level instead of 60 percent—a difference that amounts to about \$65,000,000

RATIO OF COMPETITIVE AGRICULTURAL IMPORTS TO GROSS FARM INCOME AND VALUE OF INDUSTRIAL PRODUCTION, 1921-35



and is about 13 percent of the 1935 total value of competitive agricultural imports.

The second comparison, contained in chart II, shows that in 1929 the value of competitive imports was 6.8 percent of the value of farm production and that in all other years this ratio has gone up or down as did the value of industrial production. At the low point of the depression in 1932 it fell to 3.8 percent and in 1935 it reached 6.0 percent, this being below the average for the pre-depression years but greater than indicated by the rise in the value of industrial production. This excess amounts to 0.8 percent and with gross farm income in 1935 amounting to 8.1 billion dollars, it represents about \$65,000,000 more imports than there would have been had there been no drought in 1934 and had the 1935 spring-wheat crop been normal.

From this fact we conclude: (1) That of the increase in imports of competitive agricultural products (excluding sugar) between 1934 and 1935, amounting to \$157,000,000, 60 percent was due to general recovery and about 40 percent grew out of the drought; (2) that of

the increase in competitive imports between 1932 and 1935, amounting to \$290,000,000, 78 percent was due to general recovery and 22 percent to the drought; and (3) that of the total value of competitive imports in 1935 of \$489,000,000, 87 percent may be accounted for by the general state of industry and agriculture, and only 13 percent may be attributed to the drought and A. A. A. programs. The A. A. A. programs, however, dealt chiefly with exportable surpluses; consequently, their share in causing an increase in imports through curtailment can be, at most, a very small part of the 13 percent.

The A. A. A. programs have in one important sense had an influence on the noncompetitive agricultural imports and on the industrial imports through their contribution to recovery. Total imports have increased about \$500,000,000 between 1932 and 1935, but increased exports have about compensated. Increased imports create foreign purchasing power for American exports; the latter brings an increase in domestic purchasing power that makes possible the consumption of increased imports and both the increased imports and exports are part of the process of industrial recovery.

The greater money income in rural areas in 1935 than in 1932, it has been estimated, contributed about 40 percent of the increase in factory employment during that period. To the extent that the farm programs contributed to this increase in rural buying power, they contributed to the improvement in the exchange of goods with foreign countries that is required if we are to have complete economic recovery.

LOUIS H. BEAN,
Economic Adviser, U. S. Department of Agriculture.

MIDYEAR SHOWS INTEREST RATES AN IMPORTANT FACTOR IN FARM CREDIT SITUATION

A midyear review of agricultural credit shows the volume of mortgage loans from private agencies continuing their decline, while loans of Federal sponsored agencies are increasing, but at a less rapid rate. Interest rates continue at record low levels, with further declines in recent months. Farm-mortgage holdings of 39 life insurance companies were \$768,000,000 at the end of April, a decline of \$115,000,000 since 1 year ago when holdings were \$883,000,000. Combined holdings of Federal land banks and commissioner loans increased \$176,000,000 during the same period from \$2,714,000,000 in May 1935 to \$2,890,000,000 in May 1936. The combined volume of new loans of these agencies for May was \$14,000,000 as compared with \$51,000,000 in May 1935.

Future developments with respect to volume of land-secured credit will depend largely on activity in voluntary land transfers, in the price of land, and in interest rates. Current reports indicate increased land sales as compared with recent years. The land value index of this Department stood at 82 percent of the pre-war averages in March as compared with 79 a year ago and the low point of 73 in 1933.

The most important potential factor in the current farm real estate finance situation is the marked reduction in prevailing interest rates

on mortgages and in the general level of interest rates of all types. Yields on 4-percent consolidated farm-loan bonds averaged 2.64 percent in May as compared with 3.07 percent a year ago, and 3.96 percent in July 1934 when this series began. Yields on highest grade bonds of nongovernmental agencies have also declined. The discount rate of the New York Federal Reserve Bank has been 1.5 percent for 2 years.

With these low money rates continuing over an extended period, there is an increasing tendency for low rates to be reflected in lower capitalization rates, higher land values, and increased debt-carrying capacity. The relative absence of a capital export market and the limited volume of capital issues for domestic industrial and commercial purposes are factors in continuing this tendency.

Real estate operations, whether of transfer or of credit, characteristically lag behind other current economic developments such as prices and production. The effect of current developments with respect to credit supply and interest rates is, therefore, to be considered in connection with the developments of the years immediately ahead. The probable influence of the increased farm population shown by the 1935 census, the increased number of farms reported, as well as the resettlement movement and the return of many people to the lower living-cost conditions of the rural districts, are further factors which indicate a growing importance of credit and credit arrangements for farm real estate.

DAVID L. WICKENS,
Division of Agricultural Finance.

MEASURES OF DOMESTIC DEMAND

[1924-29=100]

	May				Percent change		
	1929	1933	1935	1936	1935-36	1933-36	1929-36
National income (excluding farm income):							
Total.....	106.8	60.0	74.4	82.5	+11	+38	-23
Per capita.....	101.9	55.8	68.6	75.7	+10	+36	-26
Factory pay rolls:							
Total.....	109.5	41.5	66.5	76.8	+15	+85	-30
Per employed wage earner.....	103.8	66.0	81.7	89.5	+10	+36	-14
Industrial production:							
Total.....	113.8	72.8	79.3	94.3	+19	+30	-17
Factories processing farm products.....	108.2	105.1	97.1	96.9	-0	-8	-10
Other factory production.....	118.4	56.8	70.0	92.5	+32	+63	-22
Construction activity:							
Contracts awarded, total.....	100.0	13.2	22.3	38.0	+70	+188	-62
Contracts awarded, residential.....	86.9	9.9	18.8	29.6	+57	+190	-66
Employment in production of building materials.....	94.4	33.7	43.3	52.3	+21	+55	-45
Cost of living:							
Food.....	98.3	60.2	78.3	76.9	-2	+28	-22
For "All other items".....	98.0	79.7	81.5	82.3	+1	+3	-16
Purchasing power of national income (excluding farm income) per capita:							
For food.....	103.7	92.7	87.6	98.4	+12	+6	-5
For "All other items".....	104.0	70.0	84.2	92.0	+9	+31	-12

NOTE.—All indexes adjusted for seasonal variation except "Cost of living."

The money income of consumers has continued to increase and in May reached 82.5 percent of the 1924-29 average. This is a new high level for the recovery period and represents an increase of nearly 40 percent since the low point reached 3 years ago. Compared with May of 1935, consumer income per person, exclusive of income from farm production, was 10 percent greater, and could purchase 12 percent more in exchange for food and 9 percent more in exchange for the other items in the average industrial worker's budget.

Industrial activity was 19 percent greater in May 1936 than in May 1935, but this increase occurred chiefly in factories processing nonagricultural materials. Compared with the 1929 situation, agricultural products processed in factories was 10 percent lower while other industrial production was 22 percent lower. Construction activity continues the weakest part of the domestic demand situation. Although the value of construction contracts awarded in May was 70 percent greater than in May 1935 and 188 percent greater than in May 1933, it was still 62 percent below the 1929 level.

The improvement in industrial activity is maintaining a higher volume of consumption of cotton and other industrial uses of farm products and the higher level of consumer purchasing power is maintaining the cash income from the sale of farm products, particularly livestock and livestock products, well above the comparable 1935 returns.

PRICES OF FARM PRODUCTS

Estimates of average prices received by producers at local farm markets based on reports to the division of crop and livestock estimates of this Bureau. Average of reports covering the United States weighted according to relative importance of district and States.

Product	5-year average, August 1909-July 1914	June average, 1910-14	June 1935	May 1936	June 1936	Parity price, June 1936
Cotton, per pound.....cents..	12.4	12.7	11.8	11.2	11.4	15.5
Corn, per bushel.....do.....	64.2	68.4	83.3	60.0	61.3	80.2
Wheat, per bushel.....do.....	88.4	89.0	77.3	82.3	80.6	110.5
Hay, per ton.....dollars..	11.87	12.16	12.07	7.26	7.31	14.84
Potatoes, per bushel.....cents..	69.7	71.8	40.4	87.1	136.6	86.5
Oats, per bushel.....do.....	39.9	41.8	41.9	25.1	24.3	49.9
Beef cattle, per 100 pounds....dollars..	5.21	5.44	6.55	6.00	5.99	6.51
Hogs, per 100 pounds.....do.....	7.22	7.16	8.36	8.59	8.91	9.02
Chickens, per pound.....cents..	11.4	11.9	15.6	16.6	16.4	14.2
Eggs, per dozen.....do.....	21.5	16.7	21.0	18.1	18.9	20.0
Butter, per pound.....do.....	25.5	23.2	25.1	26.7	26.5	29.9
Butterfat, per pound.....do.....	26.3	23.4	23.7	27.1	27.7	30.6
Wool, per pound.....do.....	17.6	17.5	19.8	25.7	27.8	22.0
Veal calves, per 100 pounds....dollars..	6.75	6.77	7.10	7.43	7.46	8.44
Lambs, per 100 pounds.....do.....	5.87	6.30	6.52	8.59	8.33	7.34
Horses, each.....do.....	136.60	138.90	89.40	100.20	98.80	170.80

¹ Adjusted for seasonality.

COLD-STORAGE SITUATION

[June 1 holdings, shows nearest millions; i. e., 000,000 omitted]

Commodity	5-year average, 1931-35	Year ago	Month ago	June 1936
Apples.....total barrels..	¹ 519	¹ 360	¹ 1,783	¹ 668
Frozen and preserved fruits....pounds..	57	44	55	57
40-percent cream.....40-quart cans..	¹ 145	¹ 114	¹ ² 21	¹ 83
Creamery butter.....pounds..	32	33	5	21
American cheese.....do.....	47	48	56	57
Frozen eggs.....do.....	93	85	69	94
Shell eggs.....cases..	¹ 7,103	¹ 6,366	¹ 3,039	¹ 5,681
Total poultry.....pounds..	41	48	49	42
Total beef.....do.....	44	64	65	51
Total pork.....do.....	688	503	457	441
Lard.....do.....	123	90	84	100
Lamb and mutton, frozen.....do.....	2	3	2	1
Total meats.....do.....	794	627	585	550

¹ 3 ciphers omitted.

² Does not include 126 40-quart cans of 80 percent plastic cream.

CASH INCOME FROM THE SALE OF FARM PRODUCTS AND RENTAL AND BENEFIT PAYMENTS TO FARMERS

CASH INCOME FROM SALE OF FARM PRODUCTS

	Grains	Cotton and cotton-seed	Fruits and vegetables	All crops	Meat animals	Dairy products	Poultry and eggs	All livestock and products	Total crops and livestock
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
1935									
February-----	26	34	65	157	109	98	38	245	402
March-----	28	30	75	159	122	102	45	270	429
April-----	37	18	92	173	124	111	59	295	468
May-----	40	15	83	160	130	123	66	323	483
June-----	34	12	70	133	116	122	54	305	438
July-----	45	11	75	152	119	113	44	299	451
August-----	95	27	70	260	139	102	36	287	547
September-----	94	109	70	356	136	98	41	282	638
October-----	79	182	110	484	169	95	44	312	796
November-----	54	146	73	349	154	89	64	311	660
December-----	41	94	69	270	164	97	65	328	598
1936									
January-----	45	54	72	227	180	108	40	331	558
February-----	34	32	89	189	137	103	35	278	467
March-----	51	25	84	190	146	112	52	312	502
April-----	41	14	86	165	151	112	56	320	485
May-----	47	20	97	189	140	120	63	332	521

BENEFIT, RENTAL, AND PRICE ADJUSTMENT PAYMENTS TO FARMERS NOT INCLUDED IN OTHER SOURCES OF INCOME

	Cotton	Tobacco	Wheat	Sugar beets	Cotton price adjustment	Corn-hog	Rice	Total ¹
	Million dollars	Million dollars	Million dollars	Million dollars				
1935								
February-----	10	3	5	3	-----	28	-----	52
March-----	5	7	4	3	-----	30	-----	50
April-----	2	2	1	4	-----	40	-----	49
May-----	17	3	3	3	-----	10	-----	36
June-----	15	5	1	3	-----	6	-----	30
July-----	4	1	1	1	-----	11	-----	19
August-----	4	1	12	1	-----	24	2	44
September-----	6	4	23	-----	-----	22	2	57
October-----	18	2	19	4	-----	18	1	62
November-----	13	2	28	9	-----	9	1	² 64
December-----	31	1	5	6	-----	3	3	² 50
1936								
January-----	1	-----	-----	-----	-----	-----	-----	1
February-----	-----	-----	-----	-----	-----	-----	-----	-----
March-----	8	-----	5	2	-----	-----	-----	15
April-----	3	-----	14	2	6	13	-----	38
May-----	1	1	16	2	-----	31	-----	-----

¹ Total of all benefit, rental, and price adjustment payments made during month does not check exactly with sum of payments on individual program, as it includes drought relief payments on cattle and sheep of \$3,000,000 in February 1935, and \$1,000,000 in March 1935.

² Includes \$1,000,000 to peanut growers in November and December.

GENERAL TREND OF PRICES RECEIVED AND PAID

Year and month	Index numbers of farm prices [August 1909-July 1914=100]								Prices paid by farmers for commodities ¹	Ratio of prices received to prices paid
	Grains	Cotton and cottonseed	Fruits	Truck crops	Meat animals	Dairy products	Chickens and eggs	All groups		
1910-----	104	113	101	-----	103	99	104	102	98	104
1911-----	96	101	102	-----	87	95	91	95	101	94
1912-----	106	87	94	-----	95	102	100	100	100	100
1913-----	92	97	107	-----	108	105	101	101	101	100
1914-----	102	85	91	-----	112	102	106	101	100	101
1915-----	120	77	82	-----	104	103	101	98	105	93
1916-----	126	119	100	-----	120	109	116	118	124	95
1917-----	217	187	118	-----	174	135	155	175	149	117
1918-----	227	245	172	-----	203	163	186	202	176	115
1919-----	233	247	178	-----	207	186	209	213	202	105
1920-----	232	248	191	-----	174	198	223	211	201	105
1921-----	112	101	157	-----	109	156	162	125	152	82
1922-----	106	156	174	-----	114	143	141	132	149	89
1923-----	113	216	137	-----	107	159	146	142	152	93
1924-----	129	212	125	150	110	149	149	143	152	94
1925-----	157	177	172	153	140	153	163	156	157	99
1926-----	131	122	138	143	147	152	159	145	155	94
1927-----	128	128	144	121	140	155	144	139	153	91
1928-----	130	152	176	159	151	158	153	149	155	96
1929-----	120	144	141	149	156	157	162	146	153	95
1930-----	100	102	162	140	133	137	129	126	145	87
1931-----	63	63	98	117	92	108	100	87	124	70
1932-----	44	47	82	102	63	83	82	65	107	61
1933-----	62	64	74	105	60	82	75	70	109	64
1934-----	93	99	100	104	68	95	89	90	123	73
1935-----	103	101	91	127	118	108	117	108	125	86
 1935										
April-----	115	103	105	156	117	117	105	111	127	87
May-----	112	105	98	127	118	107	110	108	127	85
June-----	102	103	100	96	119	99	108	104	127	82
July-----	96	102	98	93	116	96	107	102	126	81
August-----	96	97	87	92	129	98	111	106	125	85
September-----	97	90	82	101	131	102	126	107	123	87
October-----	101	94	82	120	125	104	132	109	123	89
November-----	90	99	83	136	117	111	140	108	122	89
December-----	89	98	92	136	120	118	135	110	122	90
 1936										
January-----	92	95	89	118	122	120	117	109	122	89
February-----	92	94	92	117	125	123	121	109	122	89
March-----	92	93	94	77	122	118	99	104	121	86
April-----	89	96	89	107	125	114	97	105	² 121	² 87
May-----	88	96	103	105	118	106	101	103	² 121	² 85
June-----	87	96	115	99	120	106	103	107	² 121	² 88

¹ 1910-14=100.² Preliminary.

GENERAL TREND OF PRICES AND WAGES

[1910-14=100]

Year and month	Wholesale prices of all com- modities ¹	Industrial wages ²	Prices paid by farmers for com- modities used in ³ —			Farm wages	Taxes ⁴
			Living	Produc- tion	Living produc- tion		
1910-----	103	-----	98	98	98	97	-----
1911-----	95	-----	100	103	101	97	-----
1912-----	101	-----	101	98	100	101	-----
1913-----	102	-----	100	102	101	104	100
1914-----	99	-----	102	99	100	101	101
1915-----	102	101	107	104	105	102	110
1916-----	125	114	124	124	124	112	116
1917-----	172	129	147	151	149	140	129
1918-----	192	160	177	174	176	176	137
1919-----	202	185	210	192	202	206	172
1920-----	225	222	222	174	201	239	209
1921-----	142	203	161	141	152	150	223
1922-----	141	197	156	139	149	146	224
1923-----	147	214	160	141	152	166	228
1924-----	143	218	159	143	152	166	228
1925-----	151	223	164	147	157	168	232
1926-----	146	229	162	146	155	171	232
1927-----	139	231	159	145	153	170	238
1928-----	141	232	160	148	155	169	239
1929-----	139	236	158	147	153	170	241
1930-----	126	226	148	140	145	152	238
1931-----	107	207	126	122	124	116	218
1932-----	95	178	108	107	107	86	189
1933-----	96	171	109	108	109	80	162
1934-----	109	182	122	125	123	90	154
1935-----	117	191	124	126	125	98	-----
1935							
June-----	116	189	124	130	127	-----	-----
July-----	116	188	-----	-----	126	99	-----
August-----	118	192	-----	-----	125	-----	-----
September-----	118	195	124	122	123	-----	-----
October-----	118	194	-----	-----	123	102	-----
November-----	118	190	-----	-----	122	-----	-----
December-----	118	196	124	119	122	-----	-----
1936							
January-----	118	195	-----	-----	122	94	-----
February-----	118	195	-----	-----	122	-----	-----
March-----	116	198	122	119	121	-----	-----
April-----	116	195	-----	-----	⁵ 121	101	-----
May-----	115	195	-----	-----	⁵ 121	-----	-----

¹ Bureau of Labor Statistics Index with 1926=100, divided by its 1910-14 average of 68.5.² Average weekly earnings, New York State factories. June 1914=100.³ These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.⁴ Index of farm real estate taxes, per acre, 1913=100.⁵ Preliminary.

THE TREND OF EXPORT MOVEMENT

Year and month (ended Dec. 31)	Wheat, including flour ¹	Tobacco (leaf)	Bacon, ² hams, and shoulders	Lard ³	Apples (fresh)	Cotton, running bales ⁴
Total:	1,000 <i>bushels</i>	1,000 <i>pounds</i>	1,000 <i>pounds</i>	1,000 <i>pounds</i>	1,000 <i>bushels</i>	1,000 <i>bales</i>
1920-----	311, 601	467, 662	821, 922	612, 250	5, 393	6, 111
1921-----	359, 021	515, 353	647, 680	868, 942	5, 809	6, 385
1922-----	235, 307	430, 908	631, 452	766, 950	4, 945	6, 015
1923-----	175, 190	474, 500	828, 890	1, 035, 382	8, 876	5, 224
1924-----	241, 454	546, 555	637, 980	944, 095	12, 361	6, 653
1925-----	138, 784	468, 471	467, 459	688, 829	10, 043	8, 362
1926-----	193, 971	478, 773	351, 591	698, 961	16, 170	8, 916
1927-----	228, 576	506, 252	237, 720	681, 303	15, 534	9, 199
1928-----	151, 976	575, 408	248, 278	759, 722	13, 635	8, 546
1929-----	154, 348	555, 347	275, 118	829, 328	16, 856	7, 418
1930-----	149, 154	560, 958	216, 953	642, 486	15, 850	6, 474
1931-----	125, 686	503, 531	123, 246	568, 708	17, 785	6, 849
1932-----	82, 118	387, 766	84, 175	546, 202	16, 919	8, 916
1933-----	26, 611	420, 418	100, 169	579, 132	11, 029	8, 533
1934-----	36, 538	418, 983	83, 725	431, 237	10, 070	5, 753
May:						
1925-----	13, 114	22, 415	33, 475	71, 135	80	314
1926-----	12, 558	37, 431	30, 104	58, 154	74	412
1927-----	14, 123	40, 376	21, 634	64, 418	317	612
1928-----	8, 793	38, 728	21, 711	55, 540	88	578
1929-----	16, 128	32, 178	27, 117	64, 192	132	313
1930-----	10, 208	27, 039	23, 525	62, 562	117	209
1931-----	10, 203	47, 864	12, 476	39, 622	222	336
1932-----	8, 831	27, 607	9, 148	41, 084	383	501
1933-----	1, 523	18, 857	7, 518	46, 038	146	592
1934-----	2, 727	30, 512	7, 702	66, 167	35	285
1935:						
January-----	1, 257	28, 943	5, 108	17, 667	1, 281	466
February-----	1, 301	23, 616	4, 158	15, 890	1, 490	390
March-----	1, 500	31, 062	5, 428	10, 636	945	318
April-----	1, 281	16, 761	5, 332	7, 193	397	323
May-----	1, 426	16, 661	7, 443	9, 740	44	278
June-----	1, 195	11, 867	6, 662	6, 877	17	345
July-----	1, 232	14, 581	6, 580	4, 915	99	280
August-----	1, 278	22, 382	5, 210	3, 406	544	241
September-----	1, 324	52, 371	3, 531	1, 515	1, 349	487
October-----	1, 485	60, 068	3, 355	2, 731	2, 190	712
November-----	1, 320	64, 117	4, 961	7, 932	1, 854	1, 135
December-----	1, 132	38, 753	3, 923	7, 853	1, 496	886
Total-----	15, 731	381, 182	61, 691	96, 355	11, 706	5, 861
1936:						
January-----	1, 202	40, 297	3, 395	10, 117	1, 248	543
February-----	1, 192	34, 594	2, 369	7, 514	1, 206	406
March-----	1, 425	29, 832	3, 017	11, 461	1, 082	405
April-----	1, 423	23, 784	3, 396	9, 489	750	353
May-----	1, 534	17, 106	5, 367	10, 837	291	352

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal to 1 barrel of flour.² Includes Cumberland and Wiltshire sides.³ Excludes neutral lard.⁴ Excludes linters.

Foreign Agricultural Service Division. Compiled from Foreign Commerce and Navigation of the United States and official records of Bureau of Foreign and Domestic Commerce.